



DEPARTMENT OF THE AIR FORCE  
WASHINGTON DC 20330-1000

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OFFICE OF THE ASSISTANT SECRETARY

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY FOR  
COMMUNICATIONS, COMPUTERS AND LOGISTICS

SUBJECT: Recommendations for Interim Standard Systems and Executive Agents

We have reviewed the list of "Best of Breed" interim financial systems and executive agents. Because we have insufficient information about many of the systems chosen, we are unable to fully evaluate whether or not they will meet our requirements. However, we have some real concerns about the process used to make these selections and about the decision that there be interim financial systems in all cases. We fear the systems were chosen without deliberate, systematic analysis of requirements and capabilities and we wonder if all systems were considered. In achieving DoD's goals for standardization and consolidation we want to ensure decisions are made that facilitate, not hinder our efforts. In an environment emphasizing productivity and efficiency, we must exercise the intellectual honesty to pick the best systems to meet those goals.

An interim system should be considered only if a Service has no system in place that satisfies some specific DoD requirement. The implementation of interim systems is very expensive, adds considerable burden to developmental staff who must modify existing support and feeder systems networks, and adds considerable complexity to the Services' financial system networks. We question the wisdom of this approach in a time of extreme fiscal austerity and high visibility over DoD financial management.

We have reviewed the procedures established by the CIM groups to use in their process of selecting suitable standard systems. While they outlined a structured, deliberate approach to make these important decisions, this approach was overturned and the groups were directed to make decisions before they had adequate information on which to base them. We insist on the use of a systematic approach to selecting the ultimate system, an approach that allows for definition of requirements,

identification of all existing systems and their capabilities, and a matching of these capabilities to the requirements in order to select those systems that best fill the bill. The absence of that systematic approach was apparent. For an area as critical as DoD financial management, we cannot afford to make decisions in haste or on any basis other than sound, factual analysis.

Such analysis should include technical considerations like a review of hardware platforms, interfacing systems, communication requirements, data base sizing, and data elements and codes. Also, for financial systems, the analysis should ensure the systems selected meet our fiduciary responsibilities, General Accounting Office (GAO) standards, and the criteria imposed by the Federal Managers' Financial Integrity Act (FMFIA); provide positive funds control; provide connectivity to the numerous interfacing systems; satisfy the management information needs of our commands and fund managers; and do not degrade service to our customers.

The bottom line is the CIM selection process must employ a systematic methodology, be based on objective criteria, and allow sufficient time to make sound decisions. This is the approach being used by other functional areas, and we cannot afford to do less for an area as important as financial management.



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#### 4 Attachments

1. Point Paper on the Navy Civilian Pay System
2. Evaluation of the DNA General Accounting System
3. Evaluation of the Navy Travel Claims Accounting System
4. Stock Fund Systems

POINT PAPER  
ON  
NAVY CIVILIAN PAY SYSTEM

- Why Navy system won't work for the Air Force

-- No automated interface with the Personnel system (PDS-C)

-- Functionally it is a step backward from the current Air Force civilian pay system (Air Force Standard Automated Civilian Pay system - AFSCAPS)

--- Loss of manpower given up in anticipation of the implementation of the Air Force Centralized Civilian Pay System (CCPS) will have to be reinstated as the Navy system will be far more manpower intensive than the AF system now being implemented

required --- Complete rewrite of automated accounting interface

required --- Complete rewrite of automated budget interface

- Why AFSCAPS/CCPS is better choice

-- Automated interface to and from the personnel system

-- Automated retirement procedures

-- Automated reconciliation with PDS-C

-- Automated retroactive processing up to six months

--- In existence for over 10 years

--- Have more experience in running centralized pay (JUMPS, RAPS, ARPAS, CAPS)

-- Automated FLSA (Fair Labor Standards Act) module

-- On Line inquiries for what-if situations

-- AF currently pays 11 agencies

-- Decentralized time and attendance source data capture

--- Optical mark readers, PC's

-- Built from ground up as a centralized system (Navy built as a regional system

-- MWR included and being developed

- Why decision was a mistake

-- Analysis of functionality was not completed

-- Evaluation of all systems against functionality not completed

-- Evaluation of all systems for technical feasibility not completed

-- Evaluation of all systems for economic feasibility not completed

DEFENSE NUCLEAR AGENCY (DNA)

CENTRALIZED ACCOUNTING AND FINANCIAL RESOURCES MANAGEMENT SYSTEM  
(CAFRMS)

1. The purpose of this paper is to provide the AFAFC position on the selection of the DNA CAFRMS system as the "best of breed" interim accounting system for general funds. Unfortunately, we are not in the proper position to evaluate and rebut this selection because we have no current information available here at AFAFC on the system capabilities and functionality of CAFRMS. In addition, we do not know the criteria used in evaluating the candidate systems which led to the selection of CAFRMS.

2. In lieu of performing the preferred evaluation or comparative analysis between our General Accounting and Finance System (BQ) and CAFRMS, the following represents the baseline functional and system requirements CAFRMS must satisfy to meet the demands of our current base-level accounting and finance environment and hardware suites; in other words, provide the same capability as the BQ system to include near-term BQ modernization efforts. If CAFRMS, or any other system within DoD for that matter, cannot satisfy these requirements, there is absolutely no way we can concur with the selection of that system to be the "best of breed" interim accounting system for general funds.

a. Process on the Air Force Standard Base-Level UNISYS 1100 or 2200 computer hardware configurations.

b. Perform processing for multiple accounting and disbursing offices at a single site.

c. Accounting for all funds in a single accounting system.

d. Process accounting transactions for all funds issued to Air Force using the Air Force accounting classification coding structure. The current coding structure is very complex and varies by appropriation. (Note: Prior to implementation of the "ultimate" standard system, the DoD CIM must implement a DoD-standard accounting classification coding structure.)

e. Provide standard appropriation accounting to include commitments, obligations, accruals, budget authorities, and available balance of funds.

f. Provide extensive cash control and accountability features to prevent fraud, waste, and abuse.

g. Provide general ledger control on all transactions so general ledger accounts become the control accounts for the subsidiary ledgers by ensuring that all transactions are properly accounted for and that trial balances and other financial statements can be self-generating using appropriate computer instructions.

h. Provide a hierarchical record structure to track and control financial programs and allow managers at different levels of command to receive financial data at the level they require.

i. Capacity to receive, process, and store a very high volume of data input through on-line remote input or batch interface. Some of this data is received via DDN or AUTODIN communication networks. Currently, the BQ system supports the processing of over 10,000 transactions per day at one of our locations. It also supports a data base with over 100,000 program summary records, the record level required for most management products and reports. In addition, the BQ system currently supports 125 input terminals at one of our bases.

j. Uniform and accurate processing and storing of financial transactions through the use of comprehensive and consistent edit and validation routines applicable to all input transactions.

k. Stringent security access controls to limit system access to authorized users through the use of security profiles; provide users flexibility by allowing multiple levels of privileges.

l. Provide table-driven programs which allow for data value changes to be accommodated with a minimum of time and effort.

m. Accommodate a system architecture which provides for comprehensive audit trails of all updates, whether batch or on-line, allowing for system recovery at any point during an on-line session.

n. Accommodate approximately 55 on-line and batch interfaces with many diverse standard and unique systems to include civilian pay, military personnel, supply, medical, transportation, civil engineering, property and inventory, job order cost accounting, central procurement, and services data at a level which is useful to management.

o. Provide for automation of travel records and updating of related accounting records.

p. Provide extensive inquiry/retrieval on fund status down to document level of detail.

q. Provide standard and ad hoc managerial reports to support installation commanders/financial managers to facilitate effective fund management, effective budget execution and cost analysis, and decision making.

r. Process fixed and variable length records.

s. Perform complex fiscal year-end processing involving the conversion of existing records and creation of new year records.

t. Receive on-line updates through the use of interactive software from integrated accounts payable, accounts receivable, and paying & collecting modules; this supports single source data entry.

u. Provide extensive fund accountability and fund control capabilities to include on-line fund availability checks for all commitment transactions.

v. Maintain management control over all legal limitations as defined by funding documents issued from SAF/FM.

w. Account for base-level budgetary resources including allotments and operating budget authorities for appropriated funds, and obligation authorities/expenditure authorities for FMS trust funds.

x. Provide comprehensive cash and funds status reporting to satisfy all Air Force, DoD, GAO, OMB, Treasury, and Congressional requirements.

y. Provide financial control over all for/by others processing, to include intra-Air Force and cross-disbursing, through the use of the home office (AFAFC) - branch office (base) operations concept.

z. Provide support to 124 Air Force bases, over 90 Air National Guard installations, and over 50 DoD activities.

aa. Provide for off-site contingency processing.

3. If DoD is seriously considering adopting CAFRMS as the "best of breed" core system for general funds pending the "ultimate" DoD standard accounting system currently being defined by the DoD CIM Financial Operations Group, a thorough independent investigation must be conducted to gain a full understanding of the system capabilities and functionality of CAFRMS. This can only be done by intensive review and analysis of CAFRMS operating in a live environment at selected large DNA accounting and finance offices. As we've stated before, DoD would probably be better off developing a system starting from the ground up after DoD-wide standard policies and procedures are finalized and approved. Any system selected as "best of breed" must be in full compliance with GAO Accounting Principles and Standards, JFMIP Core Financial Requirements, and DoD 7220.9-M Accounting Manual requirements.

AN EVALUATION OF THE NAVY'S TRAVEL CLAIMS PROCESSING  
AND  
AUTOMATED ORDERS SYSTEMS

BACKGROUND:

- AF developed, implemented, and discarded a microcomputer claims processing system.
  - Too keystroke intensive.
  - Only computed simple temporary duty claims.
  - Travel technicians could compute vouchers quicker than the computer.
  - No programmatic accounting system updates.
- AFAFC and HQ AFMPC are implementing an automated TDY travel order system using the PCIII LAN platform.
  - Orders are electronically routed to approving officials and accounting and finance for electronic signatures for approval and fund certification.
  - Order data programmatically establishes the obligation in the accounting system.
  - All types of orders are capable of being prepared on the PCIII platform.
- Due to lessons learned from the microcomputer claims processing system, AF changed approach to develop a Total Integrated Travel System (TIS).

DISCUSSION:

- The Navy's microcomputer and order systems.
  - Microcomputer system.
- Stand alone microcomputer application which computes travel claims.

- Four computation modules, but intensive.
  - Advances for military PCS, military TDY and civilian TDY.
  - Settlements for military PCS and TDY.
  - Settlement for civilian TDY.
  - Settlement for Reserve active duty to include payroll.
- Computes approximately 90 percent of major type claims.
- Interfaces with table of per diem rates but lacks mileage and facilities tables.
  - Per diem rates distributed via floppy diskettes and subject to mailing and distribution delays.
- Civilian TDY overseas computed using JTR, vol II, rather than lodgings plus.
- Interfaces with check issue module for payment information.
- Provides extract for accounting interface via "floppy disk" which again is subject to distribution delays and accounting system not updated in a realtime mode.
- No individual travel history maintained which results in a paper shuffle to answer questions on prior claims.
- No advance payment or prior settlement information retained for voucher computation or claims questions.
- No interface with automated orders, however, one is in the planning stage.
- Auto orders.
- System is stand alone and basically a word processing application.

- Orders must be walked through or sent through distribution for approval by the approving official.
- No programmatic update to the accounting system.
- No programmatic update to the computation system.
- The Air Force Travel Integrated System (TIS).

-- Database elements include the following:

--- Automated input of travel order information such as traveler, itinerary, dates of travel, estimated costs for per diem and transportation, and travel order number.

--- Interface with SATO for actual transportation costs, ticket number, and itinerary and billing data from local ticket offices or Diners club as applicable.

--- CONUS and overseas per diem rates.

--- Directory of facilities.

--- Mileage tables.

--- Computation logic for simple and complex vouchers.

--- Integration with accounting system.

--- Integration with paying and collecting for checks, EFT advance payments and/or inclusion with regular pay.

--- The real timesaver is a PC application which is truly user friendly to allow travelers to input claims with all the above indicative data used to fill in the blanks for the user.

-- TIS modules completed and being developed.

--- Per Diem Rate Maintenance System.

---- Electronically received from PDTATAC and electronically distributed to Air Force installations.

---- Includes The Directory of Facilities.

--- Automated orders with programmatic update of the accounting system.

--- An automated travel record with realtime accounting updates.

--- Interface with commercial ticket offices to update the accounting system and individual travel records.

--- Central record of individual travel history.

--- Central record of outstanding orders and advances to preclude fraudulent payments and over advances. Also, updates home station accounting records for payments by-others.

-- Computation module last.

--- This is necessary because a computation module without all data to compute claims is ineffective (i.e. too keystroke intensive).

#### SUMMARY AND RECOMMENDATION:

- The Navy's automated computation and orders systems are stand alone applications.

- Our experience with stand alone computation systems, similar to the Navy's, proved to have inherent inefficiencies associated with nonintegration of common data.

- For a automated travel computation system to be truly effective, the database must include all the necessary elements to compute a voucher.

- The system must be totally integrated to maximize the information for accounting and paying and collecting and customer service.
- The AF approach is macro and totally integrated which eliminates the need to reenter the same data over and over depending on the application.
- A system that offers less than TIS will result in high maintenance and modification costs.
- Adopt the Air Force approach.

## COMMENTS

### ON

#### CIM STOCK FUND ACCOUNTING SYSTEM

1. The systems nominated for adoption pertaining to Stock Funds have an unknown capability to support Air Force operations.

a. Current Air Force Stock Fund systems are designed to support the Air Force operational flying mission and base operating support for spare parts fuel and supplies. Medical Stock Funds accounting systems support the operation of medical facilities for supplies and equipment.

b. Air Force Stock Fund systems are dependent on automated interfaces from the logistics and procurement systems to provide contract, vendor receipt, Military Standards (MILS) requisition, receipt, issue and billing data. Interfacing systems are all standard Air Force systems operating at all bases in the Air Force. Here are some examples:

(1) The Air Force Standard Base Supply System (SBSS) is a totally integrated logistics management and accounting system. Both functional activities use shared data and records which are dependent. Contracting generates contracts for purchases for supply replenishment and at the same time electronically interfaces with the SBSS to update logistics status and financial obligation records.

(2) The SBSS also processes retail sales of ground and aviation fuel issues and maintains integrated logistics and accounting data.

(3) The SBSS controls equipment-in-use and maintains inventory and custody data.

2. Conversion to the DLA stock fund accounting systems will require costly software changes to accommodate Air Force logistics and contracting interfaces. Massive hardware buys to operate the accounting system will be required since Air Force currently uses UNISYS equipment. At the same time the logistics and contracting systems that interface to our existing systems will continue to operate with little or no savings to DOD.

3. Recommend continued review of the selection process to ensure it is done with conversion process and the cost thereof as a consideration.

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